

Auctioneer Violations

The Commission enforces statutes and rules regulating the conduct of auctioneers. Common violations generally deal with dishonest or misleading information, including:

- Auctions being run without a licensed, principal auctioneer present
- Firm employees soliciting auctions without a license
- Incorrect or omitted information in advertisements
- Holding consignor's funds too long
- Failing to sign a written contract

The following actions may be taken:

- Assess civil penalties
- Issue citations & Cease & Desist orders
- Deny, revoke, or suspend licenses

Filing a Complaint

If an auctioneer has violated the laws and/or rules of the Auctioneer Commission, a complaint should be filed.

When filing a complaint, keep in mind:

- Licensees who violate the State's laws governing professional conduct are disciplined. Auctioneers may be disciplined by the Commission for any violation of Tennessee laws or rules.
- The Commission cannot recover or order the refund of any money or property. An attorney should be consulted for these outcomes or for issues not related to the Commission's laws and rules.

How to file a complaint:

- A consumer can initiate a complaint by submitting a complaint form in person, by mail, or online.
- The complaint form can be found on the Commission's Website.
www.state.tn.us/commerce/boards/auction/

For a complaint form, call 615.741.3600.

Items to Auction

- Fine Art
- Antiques
- Jewelry
- Machinery
- Equipment
- Real Estate
- Personal Property

Items That Cannot Be Auctioned*

- Switchblades
- Alcohol (from personal collections or home breweries)
- Automobiles (under certain conditions)
- CB Radios
- Taxidermied animals and water fowl
- Live wild animals and some plants
- Mattresses and pillows
- Emergency Vehicles equipped with lights and/or sirens

**These items may have federal or state restrictions or prohibitions on their sale which will require additional investigation before they can be sold at auction.*

State of Tennessee Auctioneer Commission

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State of Tennessee
Department of Commerce and Insurance

AUCTIONEER COMMISSION

*A Consumer's Guide and
Tips on Auctions**

*Information applicable to
Tennessee Law and Regulation only

Responsibilities of an Auctioneer

You should expect the auctioneer to be responsible for conducting the auction in accordance with the statutes and rules of the Auctioneer Commission, including the following:

- Manage the sale
- Account for the proceeds
- Issue a closing statement
- Disclose the buyer's premium, commission, or fee charged
- Furnish a written listing contract
- Advertise the auction.

An auctioneer should NOT do any of the following:

- Rebate any part of his/her commission to unlicensed persons
- Use false, deceptive, misleading, or untruthful advertising
- Sell real property unless he/she is also licensed as a real estate broker or affiliate broker

Holding an Auction

Exercise care in choosing a professional auctioneer. Good standing as a State Licensed Auctioneer should be verified prior to working with an auctioneer and consider the following:

Competency - Look for an auctioneer who has experience in auctioning similar properties by reviewing his/her job history, resume or other profession-related material. Also, check his/her complaint history with the Auctioneer Commission.

Reputation - Check the auctioneers' references or recommendations. Former clients can typically provide reliable information about their experience.

Be prepared - Auctioneers should ask questions regarding the property, including why it is being sold and when it needs to be sold. An experienced auctioneer should be able to determine the property's value, but an educated consumer should have his/her own ideas about the value.

Helpful Auction Terms

Buyer's Premium - Is an advertised percentage of the high bid or flat fee added to the high bid to determine the total contract price to be paid by the buyer.

Absentee Bidding - A way to bid if you cannot attend the auction. This type of bidding may or may not be available, and may be by written forms or phone-in bidding.

Auction with Reserve - An auction where the seller reserves the right to accept or decline any or all bids.

Reserve price - The minimum price that a seller is willing to accept for a property to be sold at auction.

Auction without Reserve - Also called an "absolute auction" is an auction where the property is sold to the highest qualified bidder with no limiting conditions or amounts.

Attending an Auction

It is easy to find and participate in a live auction. Just take these steps...

- **Find an auction:** Use the Internet or newspaper to search for a local auction. Ensure the auctioneer is properly licensed with the Auctioneer Commission.
- **Preview the auction:** Contact the auctioneer or auction house to inquire about a preview date.

- **Arrive early:** On the day of the auction arrive early to register. Bring identification, a checkbook, and seller's ID if buying for a business.
- **Inspect:** Thoroughly inspect the merchandise of interest.
- **Set a price:** Keep a price in mind that you are willing to bid. Remember to include in the total cost a buyers premium if there is one.
- **Bid:** Bid on the item(s) of interest.
- **Pay:** Find the clerk to settle the bill.

Avoiding Issues

When selling at an auction:

Read and understand the contract in full before signing.

When purchasing at an auction:

Pay attention to the current item being sold. Auctions move fast, so pay attention and make sure you are bidding on the item in which you are interested.

How to Obtain More Information

For more information about the Auctioneer Commission, visit the Commission's website: www.state.tn.us/commerce/boards/auction/

The website provides links to statutes and regulations, a licensee search, complaint information, and answers to frequently asked questions.